



DATE: Thursday, February 16, 2017

TO: Appropriations Committee

FROM: Brunilda Ferraj, Senior Public Policy Specialist

RE: H.B. 7027: AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH 2019, AND MAKING APPROPRIATIONS THEREFOR.

Good afternoon Senator Osten, Senator Formica, Representative Walker, Representative Ziobron and distinguished members of the Appropriations Committee:

My name is Brunilda Ferraj, Senior Public Policy Specialist at The Alliance. The Alliance is Connecticut's statewide association of community nonprofits, which serve over 500,000 people each year and employ almost 14% of Connecticut's workforce.

I am here to comment on H.B. 7027: AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH 2019, AND MAKING APPROPRIATIONS THEREFOR.

Every year, more than half a million individuals depend on life-sustaining services provided by Connecticut's community nonprofits. As we face a \$1.5 billion shortfall in the FY18 budget, the Governor and legislature have two choices to balance the budget: shift services into the community to continue providing services and move thousands of individuals off of waiting lists, or do business as usual, which will result in cutting vital services to thousands of the state's most vulnerable individuals and their families.

Cost-effective, high quality services provided in the community can be part of the solution to the state's budget problems, through the shifting of state-provided services to the nonprofit sector. Budget reductions approved in May and "holdbacks" in July have already cut into programs, reducing services in some agencies and closing the doors of others, leaving thousands of individuals without vital, life-sustaining care. But nonprofits cannot sustain further cuts without jeopardizing care for some of the most at-risk residents of our state.

We respectfully ask the Committee to support the Governor's budget proposal to continue conversion of state services from direct state provision of services to one in which services are increasingly provided through the nonprofit system. The proposal before you includes conversion of certain mental health and substance abuse services, but we believe that there exist additional opportunities for the state to shift more services into the community to save money, and reinvest those funds into raising rates and improving services for everyone.

DEPARTMENT OF CHILDREN AND FAMILIES

The Governor's proposed budget for the Department of Children and Families would provide \$14.5 million in each FY 18 and 19 to fulfil performance benchmarks set under the 2004 Juan F. Exit Plan.

The Alliance supports the Governor's proposal for \$8.2 million in funding to partially restore previous cuts made to DCF and \$6.1 million of new funding to increase mental health services for kids through the expansion of Cognitive Behavioral Intervention for Trauma in Schools (CBITS), Intensive Family Preservation, Extended Day Treatment, and Emergency Mobile Psychiatric Services (EMPS).

Nonprofit providers of children's services have been struggling to operate with inadequate funding for more than a decade, at a time when demand is on the rise and the state grapples with an opioid epidemic that's taken a grave toll on families and children across the state. If we do not safeguard children's services from budget cuts, we will jeopardize the gains the State has made over the past three decades and risk destabilizing the system altogether, leaving some of our most vulnerable kids and families with nowhere to turn.

We are concerned with the reduction in funding of certain services in the DCF budget and respectfully ask the Committee to reject these proposals:

- A reduction of \$1.4 million in funding for short-term assessment and respite (STAR) homes. STAR programs provide at-risk children removed from their homes due to abuse, neglect or other high-risk circumstances a safe, stabilizing experience with the support of caring staff in a short-term, home-like, therapeutic setting. These homes are a critical part of the service delivery system and we respectfully ask the Committee to restore this funding.
- A reduction of Juvenile Justice Outreach services by \$465,000 for FY 18 and \$234,000 for FY 19. This funding provides services to youth awaiting court and support for youth reentering the community.
- The elimination of Community Kidcare Prevention funding, a reduction of \$94,000 for each FY. Funding for these services help prevent the deterioration of mild behavioral disorders and fund programs focused on early intervention to reduce the number of children with intensive needs.

DEPARTMENT OF SOCIAL SERVICES

We are pleased that the Governor's budget proposal increases funding to the Community Residential Services line item, which funds residential services for people with disabilities, particularly the \$10.4 million transferred from DDS to support providers who have taken on residential serves from the State. The funding for age-outs, however, is inadequate to meet the needs of that population.

A number of cuts will have a negative effect on nonprofits and the people and communities they serve:

- Removing rate increases for Intermediate Care Facilities for Individuals with Intellectual and Developmental Disabilities would mean the continuation of two decades of underfunding.
- Reducing the eligibility for HUSKY A adults to the same level as low-income adults under HUSKY D will cause healthcare disruption for over 9,000 Connecticut residents.
- The holdbacks in fiscal year 2017 were especially hard on providers and the people they serve, resulting in layoffs, program closures and service disruption across state departments. We ask the legislature not to annualize them into the next biennium.

We are also concerned about the transfer of funding for Birth to Three from the Office of Early Childhood to DSS. While we understand the motivation for the proposed transfer, we remain particularly concerned about DSS's ability to adequately administer funding for the program to ensure that providers and the children and families they serve are not disrupted by the funding transfer.